

# CRS Report for Congress

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## Iran's Influence in Iraq

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### Summary

Iran's influence over the post-Saddam government in Iraq is substantial because the predominant parties in that government have long enjoyed Tehran's sponsorship. An emerging concern is that Iran's influence has extended to support for militant groups in Iraq. Some U.S. statements and press sources say that sophisticated explosive devices are entering Iraq from Iran, suggesting that Iran, or factions within Iran, are backing Iraqi factions that use violence to oppose the U.S. and allied military presence in Iraq. This report will be updated as warranted by regional developments. See also CRS Report RL32048, *Iran: U.S. Concerns and Policy Responses*, by Kenneth Katzman.

### Background

The issue of Iranian support for militant groups in Iraq arises within the context of the accession to power in Iraq of pro-Iranian political groupings that had been active against Saddam Hussein's regime for many years, and had long enjoyed Iranian hospitality and support. These long-standing ties have led Iranian leaders to characterize Iran's provision of funds and political support to Shiite Muslim groups in Iraq as humanitarian and targeted on groups in Iraq that had long suffered repression at the hands of Saddam Hussein. Moreover, the fall of Saddam Hussein has opened Iraq and its Shiite holy cities of Najaf and Karbala to an influx of Shiite pilgrims from Iran, estimated at two million per year. These post-Saddam trends and developments give Iran an opportunity and justification to send representatives into Iraq from virtually all of Iran's various ministries and Shiite Islamic charity organizations.

Since the fall of Saddam Hussein, Iran has showcased its growing political and economic influence over and mentorship of the Iraqi government. During exchanges of high-level visits in the summer of 2005, including a large Iraqi delegation led by Prime Minister Ibrahim al-Jafari in July, Iraqi officials essentially took responsibility for starting the 1980-1988 Iran-Iraq war, indirectly blamed Saddam Hussein for ordering the use of chemical weapons against Iranian forces during that conflict, and condemned Israel. During a defense ministerial exchange, the two countries signed military cooperation agreements, as well as agreements to open diplomatic facilities in Basra and Karbala (two major cities in Iraq's mostly Shiite south), and agreements on new transportation and

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energy links, including oil swaps and possibly future oil pipeline connections. Iran offered Iraq a \$1 billion credit line as well. Iraq denies that the military agreements signed include commitments by Iran to train Iraqi forces, saying the cooperation is limited to border security, landmine removal, remaining POW/MIA issues from the Iran-Iraq war, and information sharing.

At the same time, some believe Iran's influence will fade over the long term. Iraq's draft constitution, written mostly by Shiites and Kurds, does not establish an Iranian-style theocratic government. Some experts maintain that rivalry between Iraq's Shiite clerics and those of Iran might increase as Najaf re-emerges as a key center of Shiite Islamic scholarship to rival Qom in Iran. Other experts note that most Iraqi Shiites generally stayed loyal to the Iraqi regime during the 1980-1988 Iran-Iraq war, which took nearly one million Iranian lives and about half that many Iraqi battlefield deaths. Although exchanges of prisoners and remains from the Iran-Iraq war are mostly completed, Iran has not returned the 125 military and civilian aircraft flown to Iran at the start of the 1991 Gulf war. On the other hand, territorial issues are mostly resolved as a result of an October 2000 agreement to abide by the waterway-sharing and other provisions of their 1975 Algiers Accords. (Iraq abrogated that agreement prior to its September 1980 invasion of Iran.) During the 1990s, Iran's naval forces did sometimes cooperate with Saddam Hussein's illicit export of oil through the Gulf, in exchange for substantial "protection fees."

## **Iran's Political Strategy in Iraq**

Iran's objective in Iraq is primarily political, now that the conventional military and weapons of mass destruction (WMD) threat from Saddam Hussein has been removed. The thrust of Iran's strategy in Iraq has been to engineer and perpetuate domination of Iraq's government by pro-Iranian Shiite Islamist movements that would, in Iran's view, likely align Iraq's foreign policy with that of Iran. To that end, Iran's leaders and diplomats have sought to persuade all Iraqi Shiite Islamist factions in Iraq to work together through the U.S.-orchestrated political process, because the sheer number of Shiites in Iraq (about 60% of the population) virtually ensures Shiite predominance of government. To this extent, Iran's orientation in Iraq differs little from the main emphasis of U.S. policy in Iraq, which is to set up a democratic process that reflects majority preferences. Iran's strategy bore fruit with victory by a Shiite Islamist bloc ("United Iraqi Alliance") in the January 30, 2005 National Assembly elections. That bloc, which won 140 of the 275 Assembly seats, includes all of Iran's Shiite Islamist protégés in Iraq, particularly the Supreme Council for the Islamic Revolution in Iraq (SCIRI), the most pro-Iranian of the groups, and the Da'wa (Islamic Call) party. The Prime Minister of Iraq is Da'wa's leader Ibrahim al-Jafari.

SCIRI controls a militia called the "Badr Brigades" (now renamed the "Badr Organization") which number about 20,000. Badr fighters are playing unofficial policing roles in Basra and other Shiite cities. Those Badr members that have joined the national Iraqi police and military forces are widely said to retain their loyalties to Badr and SCIRI. The Badr Brigades were formed, trained, and equipped by Iran's Revolutionary Guard, politically aligned with Iran's hardliners, during the Iran-Iraq war. During that war, Badr guerrillas conducted forays from Iran into southern Iraq to attack Baath Party officials, but the Badr forays did not spark broad popular unrest against Saddam Hussein's regime. Some Sunnis have accused Badr fighters of conducting retaliatory attacks on Sunnis

suspected of links to the insurgency. (A related militia called the “Wolf Brigade” is a Badr offshoot that is formally under the Ministry of Interior’s control. It is led by a SCIRI activist.)

Iranian leaders have also cultivated ties to Grand Ayatollah Ali al-Sistani, the 75-year-old Iranian-born Shiite cleric who is de-facto leader of mainstream Shiite Islamists. However, Sistani has differed with Iran’s doctrine of direct clerical involvement. As a revered Shiite cleric with a large following in Iran itself, Sistani has resisted political direction from Iran.

Iran’s relations with Moqtada Al Sadr, another Shiite Islamist cleric, are more complicated. The 31-year-old is a scion of the revered Sadr clan and he has strongly criticized the U.S. presence in Iraq. His great uncle, Mohammad Baqr Al Sadr, was a contemporary and ally of Iran’s Ayatollah Ruhollah Khomeini, and was hung by Saddam Hussein in 1980. Unlike SCIRI and Da’wa leaders, Sadr and his clan remained in Iraq during Saddam’s rule, and Sadr has generally been seen as a rival to those parties for pre-eminence among Iraq’s Shiites. This might explain why Iran’s relations with Sadr are somewhat more tenuous and uneven than Iran’s relations with Da’wa and SCIRI. However, Iran appears to see him, with his large and dedicated following particularly among lower-class Shiite Muslims in Iraq, as a growing force in Iraqi politics and a potential long-term asset to Iran. Iran’s strategy thus far apparently has been to build ties to Sadr and coax him into the political process, while tolerating — or possibly even materially assisting — his challenges to the United States and Britain, as discussed further below.

Like SCIRI, Sadr believes that it is useful to maintain his own militia in post-Saddam southern Iraq. However, in contrast to the Badr forces, Sadr’s “Mahdi Army” militia does not have long-standing ties to Iran. The militia was formed in mid-2003 when Sadr, whose base is more anti-U.S. than are the supporters of SCIRI, Da’wa, and Sistani, sought to forcibly oppose U.S. forces in Iraq. U.S. military operations put down Mahdi Army uprisings in April 2004 and August 2004 in Sadr City (a Shiite-inhabited slum area of Baghdad), Najaf, and other Shiite cities. In each case, fighting was ended with compromises under which Mahdi forces stopped fighting in exchange for amnesty for Sadr himself. Since August 2004, the Mahdi Army has largely ended active anti-U.S. activity, but Mahdi fighters continue to patrol Sadr City and parts of other Shiite cities, particularly in Basra, where they have sought to ensure that personal behavior conforms to Islam and tradition. Mahdi (and Badr Brigade) assertiveness in Basra has partly accounted for a sharp deterioration of relations since July 2005 between Iraqi officials in Basra and the British forces that conduct peacekeeping in the city.

A variety of press reports say that other Shiite militias are performing informal police functions in southern Iraq. One such militia is derived from the fighters who challenged Saddam Hussein’s forces in the southern marsh areas, around the town of Amara, north of Basra. It goes by the name Hizbollah-Iraq and it is headed by guerrilla leader Abdul Karim Muhammadawi, who was on the Iraq Governing Council during the U.S. occupation period (May 2003-June 2004). Hizbollah-Iraq apparently plays a major role in policing Amara and environs. (Muhammadawi has agreed to run on the slate of Deputy Prime Minister Ahmad Chalabi in the December 15, 2005 elections. Chalabi has been politically close to Iran and reportedly has been under U.S. investigation for passing U.S. military secrets to Iran.)

Iranian support to Sunni Muslim insurgents in Iraq, such as foreign volunteers commanded by Abu Musab al-Zarqawi, would not appear to fit Iran's political strategy in Iraq. These factions are attempting to bring down Iraq's government in which pro-Iranian factions are predominant, an objective clearly not shared by Iran. On the other hand, some believe that Iran might want to support Sunni insurgents for no other purpose than to cause harm to the U.S. military position in Iraq. Another interpretation is that some of Iran's assistance to Shiite factions such as Sadr's group is being re-transferred to Sunni guerrillas without Iran's knowledge or support. Sadr has held talks with some major Sunni militant groups in an effort to forge a Shiite-Sunni anti-U.S. alliance.

## Official Assertions of Iranian Support to Armed Groups

Some U.S. and allied officials appear to believe that Iran's agenda in Iraq might be broader and more threatening than providing political support to pro-Iranian factions. According to experts who share this view, Iran might be seeking to develop a broad range of options in Iraq that include sponsoring insurgent violence to pressure U.S. and British forces to leave Iraq or simply to weaken the United States in Iraq. In August 2005, Secretary of Defense Rumsfeld confirmed press reports that U.S. forces had found some Iranian-supplied explosives (reportedly including highly lethal shaped explosives) in Iraq.<sup>1</sup> He did not specify whether the weapons shipments had formal Iranian government approval or which Iraqi faction(s) the bombs were intended for. On October 6, 2005, British Prime Minister Blair made similar allegations about Iran, backing up press comments the previous day from an unnamed British government official who alleged that Iran had supplied explosive devices to Sadr's Mahdi Army.<sup>2</sup> Blair, in his public comments, attributed the shipments to "Iranian elements" or Iran's ally, Lebanese Hizballah, acting on Iran's behalf, and he asserted that the explosives had been used to kill eight British soldiers in and around Basra since July 2005.

While echoing the British assertions, U.S. officials, eager to try to stabilize Iraq, appear to have chosen to try to engage Iran on the issue. In the December 5, 2005, issue of *Newsweek* magazine, U.S. Ambassador to Iraq Zalmay Khalilzad confirmed that he has received President Bush's approval to undertake negotiations with Iranian counterparts in an effort to enlist Iranian cooperation in Iraq.

## Recent Press Allegations

The statements of Secretary Rumsfeld and Prime Minister Blair, cited above, characterized Iran's aid to militant groups in Iraq in very general terms. Recent press reports have offered more specific information, which might form the underpinnings of the official statements. However, there is no firm information on how many agents or representatives of the Iranian government or institutions might be in Iraq at this time. Two major recent articles, one in *U.S. News and World Report* and one in *Time* magazine,

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<sup>1</sup> Scarborough, Rowan. "Rumsfeld Says Iran 'Allowing' Weapons Into Iraq." *Washington Times*, August 10, 2005.

<sup>2</sup> "Blair Warns Iran Over Iraq Bombs." *BBC News*, October 6, 2005.

as well as other press reports, discuss allegations of Iranian material support to militant groups in Iraq as follows:<sup>3</sup>

- According to the *Time* report, which it says is based on U.S. military intelligence documents, Iran's Revolutionary Guard has set up a network in Iraq, headed by Abu Mustafa al-Sheibani, with the expressed purpose of committing violence against U.S. and coalition forces in Iraq. The report adds that it is this network that has brought into Iraq new types of "shaped" explosive charges that can pierce U.S. armor, which U.S. commanders in Iraq have warned in November 2005 are a growing source of lethal attacks on U.S. forces. According to the *Time* report, Sheibani's group "consists of 280 members, divided into 17 bomb-making teams and death squads. The U.S. believes they train in Lebanon, in Baghdad's predominantly Shiite Sadr City district and 'in another country' and have detonated at least 37 bombs against U.S. forces this year in Baghdad alone." The report added that it was explosive devices planted by Sheibani's group that killed three British soldiers in Amarah (north of Basra) in July 2005.
- According to the *Time* report, Iranian-supported militant groups, including one called Thar Allah (Vengeance of God), are responsible for assassinations in southern Iraq against former members of Saddam's intelligence service and even some (presumably Sunni Muslim) members of Iraq's newly reconstituted National Intelligence Service. Thar Allah is reportedly headed by Yusif al-Musawi. According to other reports, Iraqi security officials have raided its headquarters and seized documents showing that it gets financial and logistical support from Iran.<sup>4</sup>
- The *Time* report quotes a British military officer in Basra as saying "[The Iranians] use the legal checkpoints to move personnel, and the weapons travel through the marshes and areas to our north."
- According to the *U.S. News* report, in the summer of 2003 Iranian agents gave \$20,000 to a team of assassins from a pro-Al Qaeda organization called Ansar al-Islam, in a plot to kill U.S. administrator for Iraq Ambassador L. Paul Bremer. The alleged plot was not carried out, according to the report.
- The *U.S. News* report appears to support the Blair assertions discussed above by citing U.S. military reports that Lebanese Hizballah had established a "team of 30 to 40 operatives" in Najaf to support Moqtada Al Sadr's Mahdi militia forces, and that Hizballah had bought rocket-propelled grenades and anti-tank missiles for the Mahdi forces.

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<sup>3</sup> See Ware, Michael. "Inside Iran's Secret War for Iraq." *Time*, August 22, 2005; and "The Iran Connection." *U.S. News and World Report*, November 22, 2004.

<sup>4</sup> "Iraqi Security Forces Pursue Basra Militias, Arrest Iranian Infiltrators." *BBC News*, October 31, 2005.

- The Associated Press (reprinted in the *Washington Times*) reported on December 16, 2004 that an Iranian group called the “Headquarters for Commemorating Martyrs of the Global Islamic Movement” had signed up 4,000 volunteers for suicide attacks against U.S. troops in Iraq or against Israelis.<sup>5</sup> An Iranian government spokesman did not deny the group’s recruitment drive but he said that the group had no connection to the Iranian government.
- In late October, the *London Sunday Telegraph* quoted an Iranian opposition group (National Council of Resistance) as saying that Iran’s Revolutionary Guard had set up a network of smuggling routes to ferry men and equipment for attacks on U.S. and allied troops in Iraq.<sup>6</sup> According to the report, the three principal smuggling routes were near the southern cities of Basra and Amarah, and in central Iraq, directly east of Baghdad. Some Iraqi security units in Diyala Province (which covers areas east of Baghdad) appeared to corroborate these assertions by announcing arrests of Iranian infiltrators.<sup>7</sup>
- Another *London Sunday Telegraph* report, quoting “senior politicians in Baghdad,” said that Iran was sponsoring a campaign by Shiite militants in Iraq to assassinate former members of Iraq’s air force. Saddam Hussein had made extensive use of the air force to bomb Iranian targets during the 1980-88 Iran-Iraq war.<sup>8</sup>

## Conclusions

Iran appears to be pursuing multiple options in Iraq. Iran is supporting the U.S.-engineered political process in Iraq because doing so favors pro-Iranian movements in Iraq, which have numeric strength and a degree of popularity. However, Iran is preserving the option of sponsoring militant activity in Iraq either to drive U.S. and allied forces out of Iraq or to raise the costs of U.S. military intervention close to Iran’s borders. Iran’s influence in Iraq positions Iran to retaliate against the United States should the United States succeed in persuading the United Nations to impose economic sanctions on Iran because of its nuclear program. Iran might also retaliate through Iraqi proxies if the United States were to undertake direct military action against Iran’s nuclear facilities or other installations. An alternate explanation is that Iran might be indulging the Sadr faction with weaponry and other support as a way of building ties to a future political power in Iraq, Moqtada al-Sadr.

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<sup>5</sup> Dareini, Ali Akbar. “Militant Recruiters Out in Open in Tehran.” *Washington Times*, December 16, 2004.

<sup>6</sup> Coughlin, Con. “Smuggling Route Opened to Supply Iraqi Insurgents.” *London Sunday Telegraph*, October 30, 2005.

<sup>7</sup> “Iraqi Police Arrest Nine Iranian ‘Infiltrators’ Near Border.” *BBC News*, October 29, 2005.

<sup>8</sup> Harnden, Toby, Aqeel Hussein and Colin Freeman. “Iran ‘Sponsors Assassination’ of Sunni Pilots Who Bombed Teheran.” *London Sunday Telegraph*, October 30, 2005.